



SOUTHWEST GAS CORPORATION

Jerome T. Schmitz, P.E., Vice President/Engineering

May 30, 2013

Via email and via U.S. Mail

Michael Robertson
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
State of California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

SUBJECT: General Order 112-E Audit of the Southwest Gas Corporation, Southern California Division's Public Awareness Program

Dear Mr. Robertson,

Southwest Gas Corporation (SWG) respectfully submits the following response to the SWG PAP audit observations and findings summary of July 16-19, 2012.

A. Audit Observations Identified in Protocol 1.01, Written Public Education Program, Reference Title 49, Code of Federal Regulations (CFR) §192.616 (h)

Protocol 1.01 states:

"Does the operator have a written continuing public education program or public awareness program (PAP) in accordance with the general program recommendations in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference), by the required date, except for master meter or petroleum gas system operators?"

SWG's PAP Plan was prepared in accordance with general program recommendation in API 1162, 1st edition. SED recommends that SWG's Public Awareness Program (PAP) Plan reference the API RP 1162 edition that is incorporated by reference in the federal regulations. SWG should list the assets that are covered in its PAP Plan specifically by districts and by the pipeline classification (distribution mains, Transmissions and etc.). In addition, SWG should include the One-Call information in its baseline messaging.

CPUC Recommendation:

Reference the API RP 1162 edition that is incorporated by reference in the federal regulations.



SWG Response:

SWG developed its Public Awareness Program (PAP) in compliance with 49 CFR §192.616. In January of 2013, SWG updated Section 1 in its PAP to include that API RP 1162 is referenced in §192.616. The above notwithstanding, SWG will include additional language specifying that the PAP Plan comports to the current DOT referenced edition of API RP 1162.

CPUC Recommendation:

List the assets that are covered in its PAP Plan specifically by districts and by the pipeline classification (distribution mains, Transmissions and etc.).

SWG Response:

In the January 2013 PAP Plan, Section 1, SWG included a list of transmission and distribution assets by district.

CPUC Recommendation:

Include the One-Call information in its baseline messaging.

SWG Response:

SWG follows RP 1162 by including One-Call information in its baseline messaging for all stakeholders where it is required. In addition to One-Call information as a stand-alone message to all required stakeholders, SWG provides One-Call information to other stakeholders in its "Damage Prevention Awareness" material as required by Section 4.5 of the adopted 2003 RP 1162 and as shown on the same Baseline Message tables outlined in SWG's PAP.

B. Audit Observations Identified in Protocol 1.02, Management Support, Reference Title 49 CFR §192.616 (a).

Protocol 1.02 states:

"Does the operator's program include a statement of management support (i.e., is there evidence of a commitment of participation, resources, and allocation of funding)?"

SWG reviews and updates its PAP Plan annually. However, the signatures and titles of the program sponsor or cosponsor did not appear on the PAP Plan. SED recommends that SWG include in its PAP Plan a signatory line and title for the program sponsor or cosponsor.

CPUC Recommendation:

Include in its PAP Plan a signatory line and title for the program sponsor or cosponsor.

SWG Response:

SWG will include a signatory line for the Senior Vice President of Operations on the Management Statement of Support page in the next scheduled release of the PAP Plan (January 2014).



C. Audit Observations Identified in Protocol 1.04, Stakeholder Audience Identification Reference Title 49 CFR §192.616 (d), (e), and (t)

Protocol 1.04 states:

“Does the operator's program establish methods to identify the individual stakeholders in the four affected stakeholder audience groups: (1) affected public, (2) emergency officials, (3) local public officials, and (4) excavators, as well as affected municipalities, school districts, businesses, and residents?” Title 49 CFR §192.616 (f) requires: The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.”

SWG's PAP Plan outlines adequate methods to identify the stakeholders in the four affected stakeholder audience groups. However, SED recommends that SWG establish accuracy verification process that ensures its vendors identification accuracy of any stakeholder group and to validate the vendor's measurement of the percentage of stakeholders reached.

CPUC Recommendation:

Establish accuracy verification process that ensures its vendors identification accuracy of any stakeholder group and to validate the vendor's measurement of the percentage of stakeholders reached.

SWG Response:

SWG will implement a verification process for vendor stakeholder audience identification accuracy and to validate the vendor's measurement of the percentage of stakeholders reached. The new process will be included in the next scheduled release of the PAP Plan (January 2014).

D. Audit Observations Identified in Protocol 1.05, Message Frequency, and Message Delivery Reference Title 49 CFR §192.616 (c) Protocol 1.05 states:

“Does the operator's program define the combination of messages, delivery methods, and delivery frequencies to comprehensively reach all affected stakeholder audiences in all areas in which the operator transports gas, hazardous liquid, or carbon dioxide?”

Title 49 CFR §192.616 (c) requires:

“The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.”



SWG's PAP Plan addressed combination of messages, delivery methods, and delivery frequencies to reach all affected stakeholder audiences in its California service territories. However, SED recommends that SWG include in its PAP messaging the following phrase "if you need additional information call or contact..." SWG should clearly outline how it will capture information about new constructions/homes that are constructed in between the mailing cycles.

CPUC Recommendation:

Include in its PAP messaging the following phrase "if you need additional information call or contact..."

SWG Response:

As print materials are updated, SWG will include a toll-free number and website address for additional information.

CPUC Recommendation:

Clearly outline how it will capture information about new constructions/homes that are constructed in between the mailing cycles.

SWG Response:

SWG will implement a process to capture information about new constructions/homes that are constructed in between the mailing cycles to be incorporated into the next scheduled release of the PAP Plan (January 2014).

E. Audit Findings Identified in Protocol 1.06, Written Evaluation Plan, Reference Title 49 CFR §192.616 (c) and (i) Protocol 1.06 states:

"Does the operator's program include a written evaluation process that specifies how the operator will periodically evaluate program implementation and effectiveness? If not, did the operator provide justification in its program or procedural manual?"

Title 49 CFR §192.616 (c) requires:

"The operator must follow the general recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all of certain provisions of the recommended practice is not practicable and not necessary for safety."

SWG's written PAP Plan did not establish methodology and associated metrics for its annual audits and effectiveness evaluations. SWG's written PAP Plan simply stated that SWG will do the evaluation but failed to identify the methodology, statistical sample size and margin of error, percentage of individuals or entities reached within each stakeholder group, and the process for its annual audits and effectiveness evaluations. In addition, SWG's written PAP Plan failed to specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time. SWG did not provide an adequate



justification explaining why it was not necessary to include these provisions in its written PAP. Therefore, SWG is in violation of GO 112-E, Reference Title 49 CFR §192. 616 (c)

SED recommends that SWG include in its PAP Plan specifics on how enhancements from annual reviews or effectiveness evaluations will be implemented and associate that with a reasonable time table for implementing recommended changes.

CPUC Finding:

Establish methodology and associated metrics for its annual audits and effectiveness evaluations.

SWG Response:

SWG will establish methodology and associated metrics used for its annual audits and effectiveness evaluations consistent with API RP1162 to be included in the next scheduled release of the PAP Plan (January 2014).

CPUC Finding:

Specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time.

SWG Response:

In the January 2013 PAP Plan, Section 9.1.3.8, SWG included a provision to address the time frame for implementing enhancements based on annual reviews and/or effectiveness evaluations.

CPUC Recommendation:

Identify specifics on how enhancements from annual reviews or effectiveness evaluations will be implemented and associate that with a reasonable time table for implementing recommended changes.

SWG Response:

SWG will include in the next scheduled release of the PAP Plan (January 2014) a process for implementing enhancements or other process improvements resulting from annual reviews or effectiveness evaluations. The process will also specify reasonable time tables for implementing recommended changes.

F. Audit Findings Identified in Protocol 4.01, Evaluating Program Effectiveness, Reference Title 49 CFR §192.616 (c) Protocol 4.01 states:

"Did the operator perform an effectiveness evaluation of its program (or no more than 4 years following the effective date of program implementation) to assess its program effectiveness in all areas along all systems covered by its program? If not, did the operator provide justification in its program or procedural manual?"



Title 49 CFR §192.616 (c) requires:

"The operator must follow the general recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all of certain provisions of the recommended practice is not practicable and not necessary for safety."

SWG's written PAP Plan did not establish methodology and associated metrics for its annual audits and effectiveness evaluations. SWG's written PAP Plan simply stated that SWG will do the evaluation but failed to identify the methodology, statistical sample size and margin of error, percentage of individuals or entities reached within each stakeholder group, and the process for its annual audits and effectiveness evaluations. In addition, SWG's written PAP Plan failed to specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time. SWG did not provide an adequate justification explaining why it was not necessary to include these provisions in its written PAP. Therefore, SWG is in violation of G.O II2-E, Reference Title 49 CFR 192, §192. 616 (c)

SED recommends that SWG include in its PAP Plan provisions about pre-testing effectiveness survey materials and message content for understandability and intended desired behavior. The PAP Plan should include trending of effectiveness surveys after the first effectiveness evaluation cycle, track and trend 3rd party incidents that include near misses, and consequences (failures that cause release of gas and others that do not result in failures such as scratches, dents and etc.) for transmission and distribution pipelines.

CPUC Finding:

Establish methodology and associated metrics for its annual audits and effectiveness evaluations.

SWG Response:

SWG will establish methodology and associated metrics used for its annual audits and effectiveness evaluations consistent with API RP1162 to be included in the next scheduled release of the PAP Plan (January 2014).

CPUC Finding:

Specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time

SWG Response:

In the January 2013 PAP Plan, Section 9.1.3.8, SWG included a provision to address the time frame for implementing enhancements based on annual reviews and/or effectiveness evaluations.

CPUC Recommendation:

Include provisions about pre-testing effectiveness survey materials and message content for understandability and intended desired behavior.



SWG Response:

SWG will include provisions for pre-testing effectiveness of survey materials and message content in the next scheduled release of the PAP Plan (January 2014).

CPUC Recommendation:

Include trending of effectiveness surveys after the first effectiveness evaluation cycle.

SWG Response:

In the January 2013 PAP Plan, Section 9.1.3.3, SWG included a provision to include trending of effectiveness of survey results after the first evaluation cycle.

CPUC Recommendation:

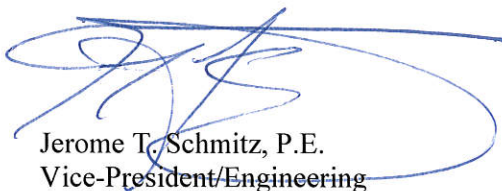
Track and trend 3rd party incidents that include near misses, and consequences (failures that cause release of gas and others that do not result in failures such as scratches, dents and etc.) for transmission and distribution pipelines.

SWG Response:

While "near miss" is not an industry-defined term, SWG tracks all reportable and non-reportable distribution and transmission gas leak related incidents in addition to excavation damages that do not result in a leak. This data is incorporated and trended into annual damages per 1000 ticket analysis and broken out by SWG company, state, and division delineations.

We appreciate Staff's consideration of this matter and look forward to discussing any questions or concerns that you may have.

Sincerely,



Jerome T. Schmitz, P.E.
Vice-President/Engineering

/ja

- c D. Gallo (electronically with attachments)
- K. Lang
- J. Mathews
- E. Trombley
- M. Epuna (CPUC)